

SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT AND FINANCE

Meeting held at
Commercial Exchange Club
2305 Washington Street, Stockton

Wednesday, July 15, 2009

MINUTES

1. The meeting was called to order by Chairman Blair King.

Attendance and Self Introductions:

Leon Churchill, Tracy City Manager; Cary Keaten, Lathrop City Manager; Blair King, Lodi City Manager; Manuel Lopez, San Joaquin County Administrator; Brian Schmidt, SJRRC Director of Planning and Programming; Gordon Palmer, Stockton City Manager; Steve Pinkerton, Manteca City Manager; Andrew T. Chesley, SJCOG Executive Director; Steve Dial, SJCOG Deputy Executive Director /CFO; Dana Cowell, SJCOG Deputy Director; Rosie Vargas, Support Services Supervisor.

2. Public Comment None

3. Approve Minutes of June 17, 2009

It was moved/seconded (Palmer/Lopez) to approve the minutes as submitted. Motion passed unanimously 7/0 with a voice vote.

4. Existing Measure K Program Semi-Annual Project Delivery Report

Dana Cowell gave a brief report on this item stating in April 2009 the SJCOG Board approved the semi-annual monitoring and reporting process. Mr. Cowell stated four of the projects have fully executive Measure K Cooperative Agreements for Measure K funding. The staff report reflects what has been accomplished and the delivery status of the remaining Measure K projects is summarized in the attachment. In August the City of Manteca will have a project that will be coming forward for construction. Mr. Cowell stated the TAC and PDC recommended this item for adoption by the Board.

Mr. Cowell stated staff's recommendation is to recommend to the SJCOG Board for approval of the First Semi-Annual Project Delivery Report.

It was moved/seconded (Lopez/Churchill) to recommend to the SJCOG Board for approval of the First Semi-Annual Project Delivery Report. Motion passed unanimously 7/0 by voice vote.

5. TIGER Federal Discretionary Grant Proposals

Andrew Chesley gave a brief background on this item stating there is \$1.5 billion of national discretionary grant funds that may be used for a variety of surface transportation infrastructure improvements. Mr. Chesley stated no more than \$300

million may be received for projects in any one state. Mr. Chesley stated the project application process is a competitive process.

Mr. Cowell stated the recommendation is to identify proposals with the strongest opportunity for success based on criteria for this program for submittal to seek endorsement from the State of California.

Mr. Cowell stated on July 9 the TAC heard presentations on each of the proposals and after discussion the Committee voted unanimously to recommend the Port of Stockton Marine Highway Project, the French Camp Road Interchange and Sperry Road Extension Project and I-5 Widening project from Country Club to Hammer Lane. The Project Delivery Committee also voted unanimously for these three projects for Board endorsement. The Executive Committee will consider this item at their meeting on July 17. These projects meet the economic benefit and the potential for job creation and were also able to meet the timeframe for project delivery. In order to go with Caltrans timeframe TIGER proposals need to be considered at the July 23 Board meeting.

Mr. Chesley stated representatives from Union Pacific Railroad and Stockton Terminal Eastern Railroad has contacted COG staff regarding potential TIGER applications; however they need a public sponsor. Mr. Chesley stated there could involve policy and procedural questions that would have to be considered by the Board. Union Pacific representatives may attend the Executive Committee meeting on July 17 to further address this proposal.

It was moved/seconded (Palmer/Churchill) to recommend the Port of Stockton Marine Highway project, the French Camp Interchange/Sperry Road Extension project and the I-5 Widening project from Country Club to Hammer Lane as the TIGER proposals with the strongest opportunity for success to the SJCOG Board. Motion passed unanimously 7/0 by voice vote.

6. Audit Engagement Letter Addendum

Mr. Dial gave a brief background on this item stating SJCOG Board awarded the contract to Brown Armstrong for fiscal year 2007-08 in the amount of \$90,000. Brown Armstrong conducted SJCOG audit, the TDA, Measure K and MOE. The auditors encountered several problems during the audits that resulted in significant overage in order to complete this audit. Brown Armstrong is requesting an addendum to the engagement letter for an additional \$18,500.

Mr. Dial stated staff's recommendation is to recommend to the Board approval of addendum to the audit engagement letter for an additional amount of \$18,500 for fiscal year ended June 30, 2008.

Mr. Lopez asked what the cost has been for the last four to five years. Mr. Dial said the cost has increased every year per CPI to 7.5%. Mr. Lopez asked what was the cost of the audit last year and the year before. Mr. Dial stated he was not sure; however the increase has been minor.

It was moved/seconded (Churchill/King) to recommend to the Board approval of the addendum to the audit engagement letter for fiscal year ended June 30, 2008. Motion passed 6/1 by voice vote with Manuel Lopez casting a no vote.

7. Level of Service

Mr. Cowell discussed this item stating the forum working group has been addressing and how to pursue questions on LOS. Over the next seven months the forum will meet to discuss a specific set of interrelated topics beginning in September 2009. Mr. Cowell reviewed the sample topics of interest and locally adopted LOS policies which are included in the staff report.

Committee members expressed concerns about endorsing a final product that is unclear and would like a better understanding of the product. Mr. Lopez expressed concern regarding the term of "Continuity of LOS".

Mr. Chesley stated another challenge is who is the audience. This is an opportunity for local agencies to share each cities level of service and work around any issues. SJCOG staff is working on this issue and would like to bring it back on a future agenda.

This item was for discussion only no action was taken.

8. Maintenance of Effort

Mr. Dial briefly discussed this item stating there has been a Maintenance of Effort calculation over the years and in the early years of Measure K there were challenges with cities trying to achieve the MOE compliance because of the recession. In order to comply with that statute of effort staff has identified three possible recommendations to bring back at a later date.

Mr. Palmer asked for clarification on "*temporary suspension of the MOE requirement during this economic turndown*".

Mr. Dial stated staff would recommend to the Board to temporarily waive requirements from each local jurisdiction receiving LSR funds until there is a turnaround in the economy.

Mr. Lopez asked how that would be done and still complies with the law. Mr. Dial stated staff will continue to do the MOE requirements, but under the provisions of the waiver apply the interpretation of the methodology in order to still be in compliance under extraordinary situations.

Mr. Chesley stated there are two things to note, one is what would prompt us to get out of this and the second one is how would it be reinstated. Mr. King said when the gas tax resumes. Committee members supported temporary suspension of the MOE requirement during this economic turndown. Mr. Dial stated when this item returns on a future agenda staff will address how to reinstate this and at what level to do so.

This item was for discussion only no action was taken.

9. 2009 Measure K Renewal Strategic Plan Update
Mr. Cowell gave a brief update stating to date staff has hosted two meeting of the Strategic Plan Working Group and two meetings on the Transit Subgroup to coordinate the 2009 MK Renewal Strategic Plan update. Completion of the draft 2009 MK Renewal Strategic Plan for SJCOG Board review is targeted for August.

This item was for information only no action was taken.
10. Executive Directors Report
Mr. Chesley reported on the SB 716 by Senator Lois Work which is to modify transportation funds. Areas affected in the San Joaquin Valley are San Joaquin, Fresno, and Kern and Stanislaus in 2010. Mr. Chesley stated it appears there has been little progress. Mr. Chesley stated he will meet with Senator Lois Wolk and Chief of Staff tomorrow on the particulars. Mr. Chesley stated other key players are Fresno, Kern, Ventura.
11. Other Matters of Business
None
12. Adjournment
There being no further business to discuss, the meeting was adjourned to Wednesday, August 19, 2009.